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Deal gives GM factory in Linden 2 more years

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BY JOSEPH R. PERONE Star-Ledger Staff

General Motors will build trucks in Linden for two years longer than expected in a move that will save 1,200 blue-collar jobs and shore up the state's crumbling manufacturing base, union and government officials said yesterday.

The deal, reached as part of a national labor agreement with the United Auto Workers, means Chevrolet Blazers will roll off the Union County assembly line until at least 2007. GM earlier said production would stop in 2005.

"A lot of people had us written off," said Guy Messina, president of UAW Local 595. "It means a lot to our workers with kids in school and tuitions to pay and mortgages to pay.

"It means no one has to think about transferring out of state."

GM declined to comment.

"It is our policy that we do not discuss tentative labor agreements," said company spokesman Dan Flores.

The GM factory is one of two aging auto plants in New Jersey, a state that along with Michigan was once a center of manufacturing. Detroit-based General Motors was even incorporated 95 years ago this month in New Jersey.

Ford Motor Co. has announced it will close its Edison truck factory in 2004, which made union workers in Linden fearful they would be next.

New Jersey has 16 percent fewer manufacturing jobs than it did in December 2000 and 30 percent fewer than in 1990. Manufacturing employment is expected to continue to dwindle.

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That explains why union officials were relieved when they received a phone call yesterday from senior UAW officials about their fate.

"The Linden plant is off the hit list," said Mike Donaghue, shop chairman of Local 595, who hopes the automaker will build a vehicle to replace the Blazer in Linden after 2007.

It usually costs a few hundred million dollars to retool a factory to build a new model.

GM cut the Linden plant to one shift in 2002 when it slashed 1,100 jobs. At the time, the world's largest automaker said it was forced to cut production because Blazer sales had plunged. GM set 2004 as the year production would stop. The company later pushed the deadline back a year.

U.S. Sen. Jon Corzine (D-N.J.) "was instrumental" in helping union officials strike a deal with the company, said Donaghue, the local union leader. The senator met with GM executives during a trip to Warren, Mich., on Aug. 29 to persuade them to spare the plant.

"This is good news for the workers, the city of Linden and the state of New Jersey," Corzine said in a statement. "Our state's economic picture looks brighter as we slowly rebound from a recession that has been particularly tough on our manufacturing sector."

Corzine hopes to meet in November with senior GM executives, Gov. James E. McGreevey and Commerce Commissioner William Watley to persuade the company to retool the plant and keep it open permanently, according to Corzine spokesman David Wald.

The 66-year-old GM factory, one of the oldest company plants in North America, makes two-door and four-door Chevrolet Blazers sold in the United States and GMC Jimmys for the Canadian market. The company also makes four-door crew cab models sold as the Chevrolet S10 and GMC Sonoma.

Chevrolet has struggled with the Blazer, which comes with a price tag in the mid-\$20,000 range, and competes with newer Japanese-made models. More recently, dealers have offered \$2,000 rebates on the truck.

"There is demand in the marketplace for the product," said Flores, the GM spokesman.

Workers such as Ramon Diaz, who delivers parts for other workers on the assembly line, were encouraged by the reprieve.

"That means I don't have to move to another state," he said.

But Dino Sadeck, a 27-year plant veteran, said there is still too much uncertainty surrounding the plant.

"It's all tentative," he said. "Until I see the actual agreement ... until I see the small print, you're not going to know."

GM, Ford and the Chrysler unit of DaimlerChrysler reached tentative four-year contracts with the union this week that must be ratified by rank-and-file members. The contracts call for the closure or sale of up to 10 U.S. plants and thousands of job cuts that will allow U.S. automakers to lower costs to better compete with Honda, Toyota and Nissan.

GM officials said they do not know which factories will be closed.

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The labor contracts, which cover 760,000 current and retired workers and surviving spouses, were concluded with unusual speed and without the typical rancor that accompanies auto-related bargaining. Negotiations began in mid-July.

The pacts include modest wage and pension increases while retaining generous health care benefits. The companies also set up a two-tier wage system that allows parts makers Delphi and Visteon to hire workers at lower wages.

Staff writer Jennifer Golson contributed to this report.

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